

# A Comparative Study of Chinese and International Famous Brands -- Taking Tiffany&Co. and Chow Tai Seng as Examples

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**Abstract:** According to the definition of brand by the American Marketing Association: "A brand is a name, term, logo, symbol or design, or a combination of them. Its purpose is to identify the products or services of a seller or a group of sellers, and distinguish them from the products or services of competitors." Brand comparison is to analyze the similarities and differences of brands respectively, so as to draw a conclusion that is conducive to the development of the jewelry industry. There are only a handful of Chinese corporate brands among the top 100 corporate brands worldwide. Regarding the luxury jewelry sector, a significant disparity still exists between Chinese and international brands. In this article, an international brand, Tiffany & Co., and a Chinese brand, Chow Tai Seng, will be compared and analyzed using the three dimensions of corporate culture, brand value, and inspiration in order to identify the characteristics of Chinese and foreign jewelry brands.

## 1 Introduction

China is the world's largest consumer of gold, the second-largest center for diamond processing, and the largest consumer market for jewelry, playing a significant role in jewelry production and consumption. This research focuses on Chow Tai Seng, a leading brand of diamond jewelry in the Chinese mid-to-high-end market, and compares it to Tiffany & Co., a world-renowned jewelry brand, in order to analyze the characteristics of Chinese and foreign jewelry brands, thus providing future jewelry industry references.

## 2 The soul of a jewelry company—corporate culture

### 2.1 Product R&D and technology

Tiffany & Co. brand is constantly pursuing innovation, releasing a total of 12 series of products. The six-prong, platinum design, which was introduced in 1886 as part of the *Tiffany Setting* series, has paved the way for the future of the brand, establishing a new international aesthetic standard for diamond rings. The 2008 launch of the *Tiffany Keys* series was inspired by the key to the company's warehouse, whose products were adored by consumers. The minimalist and elegant design of the 2014 *Tiffany T* series, which revealed the ultimate beauty of the letter T, was favored by young people.

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Since ancient times, gold products have dominated the Chinese jewelry market. The Chinese people's love for gold is similar to their love for China, which runs through their veins. Chow Tai Seng has launched a variety of products for young and fashionable women, such as the "Chow Tai Seng Extraordinary Ancient Gold Series," with gold jewelry as its primary product. It follows the trend of the youth and national trends by emphasizing IP cooperation of gold products. To increase its competitiveness, it released a series of gold products in collaboration with the cultural program "National Treasure" on CCTV. Chow Tai Seng simultaneously adopts the one hundred-facet round-cut diamond as its flagship product and introduces diamond-cutting technology from Belgium to increase brand effectiveness.

### 2.2 Business strategy

Tiffany & Co. has been bringing itself closer to young people by combining offline shop sales with online mini-programs, consistently updating the brand management model and bravely innovating the brand management model. Tiffany has redesigned its brand image as one that encourages individuality, creativity, and self-expression and has targeted millennials who are searching for their own identities. The 2018 Tiffany Paper Flowers collection showcases Tiffany's exceptional jewelry craftsmanship by incorporating natural elements into the collection's design. Developed to be appropriate for any occasion, the entire collection abandons the concept of traditional, typically heavy luxury jewelry, attracting the interest of younger

buyers. Actress, Ni Ni, was asked to represent the brand in China, following in the footsteps of Bulgari and Cartier. Her elegant demeanor fits the theme image of the new floral rhyme series perfectly.<sup>1</sup>

Tiffany & Co. pioneered the pop-up store marketing approach, establishing a new trend in brand marketing. Simultaneously, the company introduced the idea of a flagship store, with employees switching from suits and ties to sportswear. This action breaks the seriousness and solemnity of the past, creating a greater sense of intimacy among the general population and so expanding its social effect.

Chow Tai Seng adopts a business strategy of asset-light, integrated operations. Focusing on brand operation, channel management, product development, supply chain integration, and expansion in low-tier cities, it has achieved significant growth in channels and brands over the past several years.

Chow Tai Seng insists on placing the customer first, focusing on the objectives of business strategy development, actively exploring new development models, and promoting brand upgrading and transformation. In addition, it uses the Internet and multi-media connections to improve the brand. In accordance with the aforementioned standards, the company has established over ten groups of store distribution models that not only satisfy the needs of different consumer groups but also achieve product standardization and normalized management, thereby promoting the standardization of business models and the development of brand characteristics.

The collaboration between Chou Tai Seng and Perfect Diary is the company's first attempt to partner with different industries, breaking down industry barriers and fostering a new condition of win-win cooperation. It opens up new markets for jewelry and introduces a fresh environment of strong alliances and resource sharing.

Chow Tai Seng maximizes corporate functions by integrating numerous sales channels, such as franchising, self-operation and e-commerce, and by combining online and offline stores.

### 2.3 Advertising investment

Tiffany & Co. gives a high priority to advertising. Since the release of "Breakfast at Tiffany's" in 1961, starring Audrey Hepburn, Tiffany & Co. has used movies and television to promote product awareness and spread social influence. In 2013, Tiffany & Co. sponsored the film "The Great Gatsby" and simultaneously introduced *The Great Gatsby* collection of products, defining the brand's high-end image and increasing product exposure and popularity. In 2015, the renowned supermodel Liu Wen was invited to shoot "Unlocks the Possibilities," which brought widespread recognition to the *Tiffany Keys* product line. In addition, Tiffany & Co. has invited Ni Ni, Lady Gaga, and numerous other A-list celebrities domestically and internationally to endorse products, influence social trends, and boost product promotion. In 2017, Tiffany & Co. even promoted the latest series of *Tiffany Hard Wear* during the golden advertising time of famous American events. Its

unrivaled social influence is the result of its emphasis on advertising and marketing.

Chow Tai Seng concentrates on new media marketing strategies and boosts its investment in mass screens on a constant basis. It adapts to the current trend, maximizes the impact of new media by launching a jewelry challenge on Douyin, integrates the brand into people's lives, and increases brand influence. It collaborates with well-known MCN companies to raise brand awareness and broaden the brand's market through strategies such as soft advertising on Xiaohongshu. In addition, product placement in the hit drama "ER Doctor" substantially increased the promotion of the company's products. Using continuous, pulsing, and matrix advertising strategies, it has created a brand marketing communication system that combines diverse media such as airports, high-speed rail, the Internet, and new media, covering all aspects of target consumer groups' lives and continuously enhancing brand awareness.

## 3 The success criterion for a jewelry brand-brand value

Brand value is a measure of a brand's success. From a financial perspective, brand value is the sum of the additional benefits that brand-related products provide. Brand value, from the standpoint of the market, is the level of customer trust achieved by the brand and the premium consumers are willing to pay for the goods.

China is an excellent manufacturer, but it has very few well-known brands. Recently, the British brand rating consultancy Brand Finance published the "Luxury & Premium 50 2022". The top three brands include the German brand Porsche, the French brand Louis Vuitton, and the Italian brand Gucci. The Chinese brand Lao Feng Xiang made the list successfully at No. 28. It is the only Chinese jewelry brand to be on the list in Greater China. There are two Chinese firms on the list, with Shangri-La Hotel in Hong Kong being the other. This information indicates that the gap between the Chinese luxury market's supply and consumer demand has shrunk further. However, there is still a wide disparity between Chinese brands and international brands in the jewelry sector.

Even so, Lao Feng Xiang is more inclined to traditional Chinese culture aesthetic, Chow Tai Sheng's audience group is the fashion line of the young group. Tiffany's audience group also tends to be younger.

So we take the well-known luxury companies Tiffany & Co. and Chow Tai Seng as an example. Tiffany & Co., established in 1837, is regarded as the queen of the jewelry industry. It is renowned for its diamond and silver products and is regarded as one of the world's top 10 luxury jewelry brands, which many young women adore. Chow Tai Seng, which was founded in 1999 and ranks fifth among Chinese jewelry brands, is also preferred by many Chinese ladies. The following section compares their brand values.

### 3.1 Brand stability--brand viability

Charles Lewis Tiffany opened the first Tiffany store in New York in 1837. Tiffany's reputation as a luxurious, elegant, and iconic company has steadily grown as a result

of its inventive jewelry designs. Charles Lewis Tiffany, the company's founder, purchased a huge number of gemstones from the European aristocracy in 1848 and brought them back to the United States so that the upper class could purchase large-scale jewelry in the country. Therefore, Tiffany became a well-known diamond retailer in the United States. After that, the company implemented a variety of tactics to develop a high-end luxury image for the brand, thereby enhancing its reputation and value. Tiffany introduced the 925 sterling silver standard in 1851, which was eventually approved by the United States government. Charles Lewis Tiffany devised a series of diamond rings called Tiffany Setting with the initial "six-prong setting method" in 1886 in order to display the company's superior diamond-cutting technique. The six-prong inlaid diamond ring represents the eternal promise of love and has become the international standard for engagement diamond ring inlays, which are still prevalent today. In contrast, Zhou Zongwen, chairman of Chow Tai Seng Jewelry Co., Ltd., has pursued the creation of jewelry diamond facets since the founding of the company. By chance, he met the grandson of the sixth generation of the Tolokowsky family, whose pursuit of perfection is consistent with his own. As they are both focusing on this aspect, they proposed the LOVE100 (2017) concept, which consists of a diamond with 100 facets. Later, it was determined that this type of diamond has too many layers and a low internal angle reflectivity. Later, Zhou Zongwen and the Tolokowsky family created a diamond with 12 perfect hearts and 12 perfect arrows, which was researched and polished numerous times prior to its release. The diamond is named "constellation aurora" (2021) since both the zodiac and the constellation have twelve components. Comparing these two brands, what they have in common is that their creators have their own visions for them and are attempting to establish a stable brand value. Tiffany dares to import innovative foreign resources, thereby increasing its markets in both Europe and the United States. However, Chow Tai Seng's only market is China. This is why there are so few Chinese jewelry brands that can compete with the world's best.

### 3.2 Brand influence and global presence

In 1961, Audrey Hepburn starred in the film "Breakfast at Tiffany's," which introduced Tiffany to the general public and markedly improved the brand's presence, influence, and value. In 2013, Tiffany sponsored the film "The Great Gatsby" and concurrently launched the "The Great Gatsby" series. In addition, it collaborated closely with Douban Movie Channel to promote the film and the brand together, thereby establishing a premium image and growing its popularity. Tiffany purchases French royal jewels and sells them to American high society, so establishing a connection between the brand and the royal. Tiffany has received multiple gold medals at World Expos in Paris, Turin, Philadelphia, Chicago, St. Louis, etc., allowing this American luxury company to show the world its wonderful innovative design and exquisite craftsmanship, thus increasing the brand's international standing. There are two reasons why Tiffany's impact is

stronger than Chow Tai Seng's: one is that Tiffany has captured the overseas market and formed relationships with aristocracy, and the other is that Tiffany has gotten Audrey Hepburn to act in films and on television. In the form of "star + film and television," Tiffany's product positioning and features are easier to understand. Now, Tiffany invites successful women such as Eileen Gu to endorse it, thereby broadening its market to include young people. Chow Tai Seng, on the other hand, although having celebrities such as Angelababy and Ren Jialun to promote it, does not have any connected films or television shows. Chow Tai Seng did not further penetrate the public consciousness nor develop internationally, which explains why it cannot compete with Tiffany in terms of brand value influence.

### 3.3 Brand loyalty

Michael Porter once stated that the assets of a brand are mainly reflected in its core value, or, in other words, the core value of the brand is also its essence. The loyalty of brand value, referring to the brand's loyal consumer groups, is also an essential metric for measuring brand value. In China, Chow Tai Seng is positioned as a mid-to-high-end diamond jewelry brand. With diamond as its primary product, a hundred-facet round cut diamond as its core product, gold as its most popular product, and additional products, it has opened a number of "romantic and heartwarming popular boutiques" for fashionable women. Therefore, Chow Tai Seng's devoted customer base should consist of domestically stylish women. Tiffany's high-end brand positioning and high-quality brand image are deeply rooted in the hearts of the people as a representative brand with a high premium. Tiffany's most devoted customers are stylish women around the globe. "Unlocks the Possibilities" was filmed by the supermodel Liu Wen to promote the series of Tiffany Keys items. Tiffany has many loyal domestic and international followers, including Ni Ni, Lady Gaga, and Natalie Westling. These dedicated consumer groups are willing to pay a premium for Tiffany products; hence, Tiffany has a higher brand value.

## 4 Growth of the jewelry industry--reference and inspiration

Chow Tai Seng is unquestionably the largest dark horse in the jewelry market, as a jewelry brand with more than 4,000 stores nationwide in less than two decades since its founding. Tiffany & Co.'s iconic masterpieces set the trend. In its century-long history, the company's business plan has been continuously revised to keep abreast. The objective of this article is to compare and contrast the two brands. By recognizing the advantages of each other, we may conclude the reasons for the brand's successful development, thus establishing a benchmark for the future growth of the jewelry business.

#### 4.1 Focus on consumer groups and keep innovating

According to data from the World Luxury Association, the average age of Chinese luxury consumers has dropped from 35 to 25, meaning that millennials will become the main force of luxury consumption. Tiffany & Co. and Chow Tai Seng accurately detect the consumption preferences of the young, continuing to launch national trendy jewelry, national treasure series products and minimalist new series products that suit Tiffany's brand image.

In light of the increasing homogeneity of the jewelry business, the two brands specifically target consumer groups, take innovative actions, and integrate their products into their brand images to increase brand appeal, thereby substantially enhancing loyalty. It is the fundamental driving force for brand development to improve its core competitiveness with product management as its content.

#### 4.2 Improve the marketing system and deepen the brand value

The cultural brand is the primary driver of cultural consumption behavior as well as the primary factor in stratifying and differentiating cultural companies. In terms of fostering a corporate culture, both companies exert considerable effort. The popular jewelry designs of Chow Tai Seng, the Van Gogh series, and the urban monologue series, respectively, represent the reproduction of the vibrant hues of Van Gogh's paintings and the manifestation of the spiritual power and strength of women. For nearly two centuries, Tiffany & Co.'s classic six-prong diamond ring has been synonymous with love, beauty, romance, and dreams. In addition to technological innovation, implication and cultural connotation are the secret weapons for captivating consumers.

The two brands have always insisted on constant marketing system exploration. In their continuous development, by centering on the consumer groups, they selected Eileen Gu and public figures of the millennial generation as spokespersons. In addition, they held jewelry marketing competitions, applied product placement in film and television shows to increase brand exposure, and built a comprehensive brand marketing system so that more consumers could gain an initial understanding of the brand and lay a solid foundation for the future cultivation of loyal customers. These strategies can substantially increase the brand's influence, internationality, and loyalty, hence raising the brand's value. Another similarity between the two brands is their emphasis on marketing and advertising across all channels. This is also a crucial and vital link for the long-term operation of Tiffany & Co. and Chow Tai Seng as the leading brand in the jewelry business and a strong dark horse brand, respectively. The marketing approach can surely help firms open up the market more quickly so as to fulfill the personalized demands of the market.

#### 4.3 Open up the channel network in an all-round way

At a time when there are largely offline stores, Chow Tai Seng has grasped the essential value link of "brand + supply chain integration + channels", enabling it to accomplish extraordinary outcomes. Chow Tai Seng was crowned the Tmall Double 11 GMV champion of jewelry accessory stores in 2022, beating Hong Kong-based businesses such as Chow Tai Fook and ranking first in the sector. This is inseparable from Chow Tai Seng's establishment of an omni-channel, full-scenario, closed-loop ecology and the use of numerous platforms to win the hearts of consumers.

Tiffany & Co. also implements the "online + offline" strategy for brand management, responding to the needs of the new generation through innovative pop-up store marketing and mini-programs. In the context of digitization and younger customer groups, it is essential for the brand to create consumer-appealing consumption scenes with an emphasis on experience and effective interactions. Among the innumerable new jewelry brands in the modern day, exceptional growth can only be achieved through the effective use of social media and the construction of proper marketing strategies.

### 5 Conclusion

1) This article provides a comparative analysis of Chinese and foreign brands across multiple dimensions. According to the results, Chow Tai Seng has much to learn from Tiffany & Co. regarding brand value. Moreover, the research reveals that both Chow Tai Seng and Tiffany & Co. pay close attention to the development of corporate culture, which gives ideas for the growth of this industry.

2) Through a comparison between Tiffany & Co. and Chow Tai Seng, this paper highlights the benefits and brand features, concluding that jewelry firms must pay special attention to accurate positioning, developing a marketing structure, enhancing brand value, opening channel operations, etc.

3) From a long-term perspective, jewelry companies will compete on the basis of refined management and brand development. Through the comparative study of the two brands, the conclusions obtained in this paper still have certain limitations. To strengthen their own competitiveness, businesses should combine their own advantages with the brand strategies of Tiffany & Co. and Chow Tai Seng in subsequent operations.

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